

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA

IN RE:

ACCEPTANCE INSURANCE COMPANIES  
INC.,

Debtor.

CASE NO. BK05-80059

Chapter 11

**STATUS REPORT REGARDING APPLICATION FOR ORDER DIRECTING RULE  
2004 EXAM**

Acceptance Insurance Companies Inc. submits the following Status Report regarding the Application in Support of Request for the Entry of an Order Directing the Debtor to Appear for an Examination Pursuant to Federal Rule of Bankruptcy Procedure 2004, and to Produce Documents in Connection Therewith (the "Application") filed by Granite Reinsurance Company, Ltd. ("Granite Re").

**BACKGROUND**

1. On June 27, 2005, Granite Re filed its Application seeking an Exam of Acceptance pursuant to Rule 2004.
2. On July 15, 2005, Acceptance filed a Limited Resistance to the Application. On July 18, 2005, the Committee of Unsecured Creditors also filed a Limited Resistance to the Application.
3. On August 11, 2005, the Court held a hearing on the Application and Limited Resistances, and directed the parties to meet and confer in an attempt to resolve the issues related thereto.
4. On August 11, 2005, the Court entered a Docket Order (Docket No. 124) regarding the Application, which provided in part:

Counsel shall . . . meet and confer . . . in an attempt to resolve remaining issues. Counsel for any party may request a hearing anytime. If no hearing is requested by September 2, 2005, the Court shall assume the issues are resolved and enter an order granting the motion.

5. Acceptance advises the Court counsel for the parties have been engaged in productive discussions and have resolved almost all issues regarding the scope of the exam sought through the Application. The discussions continue, and counsel believes substantially all, if not all, of those issues will be resolved without Court intervention within seven to ten days.

6. Acceptance, with the consent of Granite Re, therefore requests the Court defer entry of any order herein on the Application for an additional 10 days, or until September 13, 2005, subject to any party requesting a further hearing on the Application by said date.

Dated: September 2, 2005

ACCEPTANCE INSURANCE COMPANIES  
INC.

By /s John J. Jolley, Jr.

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Its Attorneys

CERTIFICATE OF SERVICE

I hereby certify that on September 2, 2005, I electronically filed the foregoing with the Clerk of the Bankruptcy Court using the CM/ECF system which sent notification of such filing to the following: United States Trustee, Robert Bothe, Joseph C. Byam, K.C. Cohen, Robert F. Craig, Angela D. Dodd, Michael J. Matukewicz, Jenna B. Taub and Julie A. Wood and I hereby certify that I have mailed by United States Postal Service the document to the following non CM/ECF participants listed on the service matrix attached hereto as Exhibit A.

s/ John J. Jolley, Jr.\_\_\_\_\_

**EXHIBIT A**

**SERVICE MATRIX**

Internal Revenue Service Attn: SPF, Stop 5301-OMA 1313 Farnam Street Omaha, NE 68102	Nebraska Department of Revenue Attn: Bankruptcy Unit P.O. Box 94818 Lincoln, NE 68509-4818
Nebraska Department of Insurance Attn: Director 941 O Street, Suite 400 Lincoln, NE 68508-3639	Evan Hollander, Esq. White & Case LLP 1155 Avenue of the Americas New York, NY 10036